



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

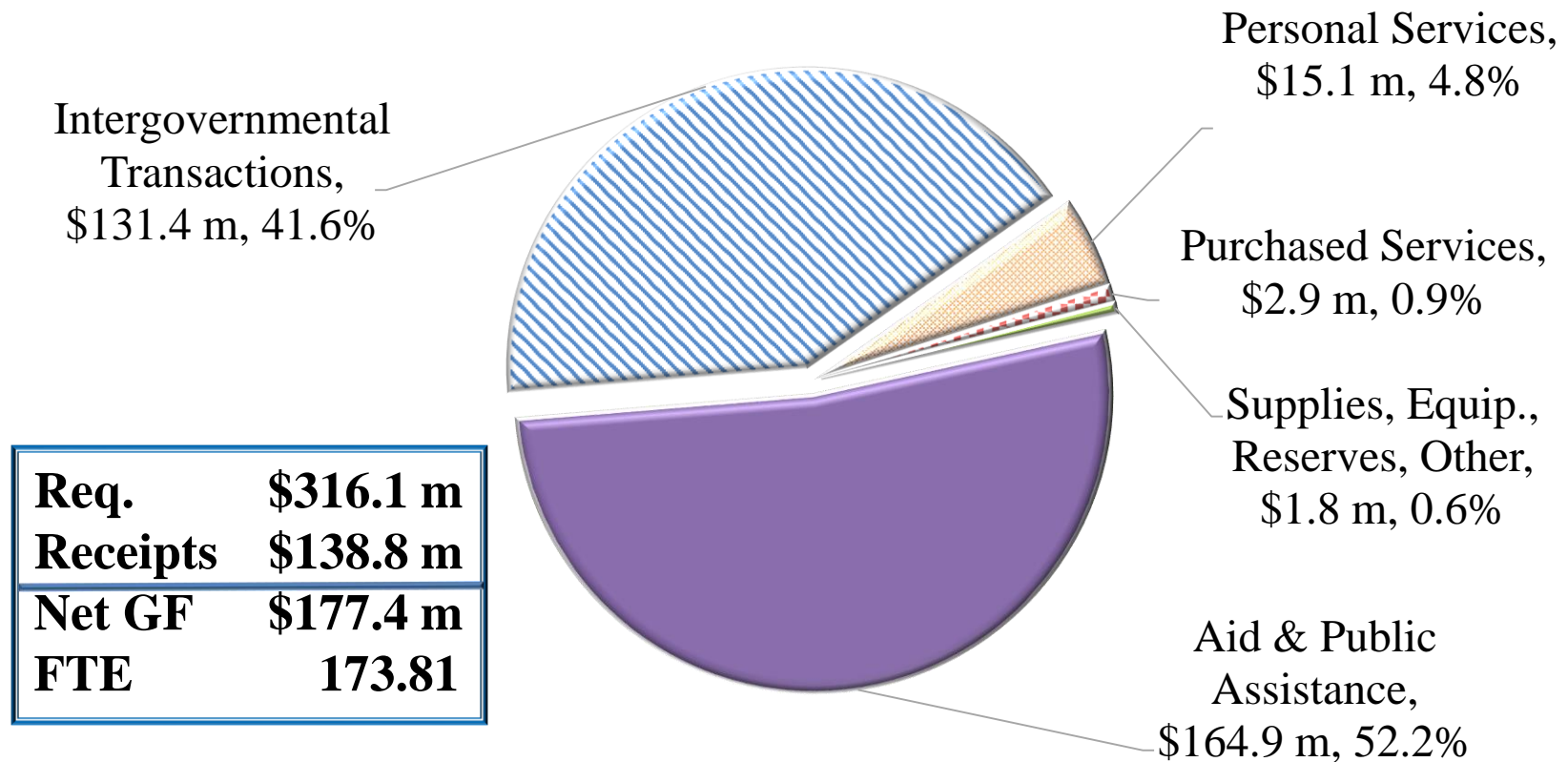
# Department of Commerce Base Budget Overview

Joint Appropriations Committees on Agriculture  
and Natural and Economic Resources

**March 5, 2019**

# Commerce General Fund Base Budget

## Department of Commerce Total General Fund Budget, FY 2019-20



Source: Base Budget Worksheet 1



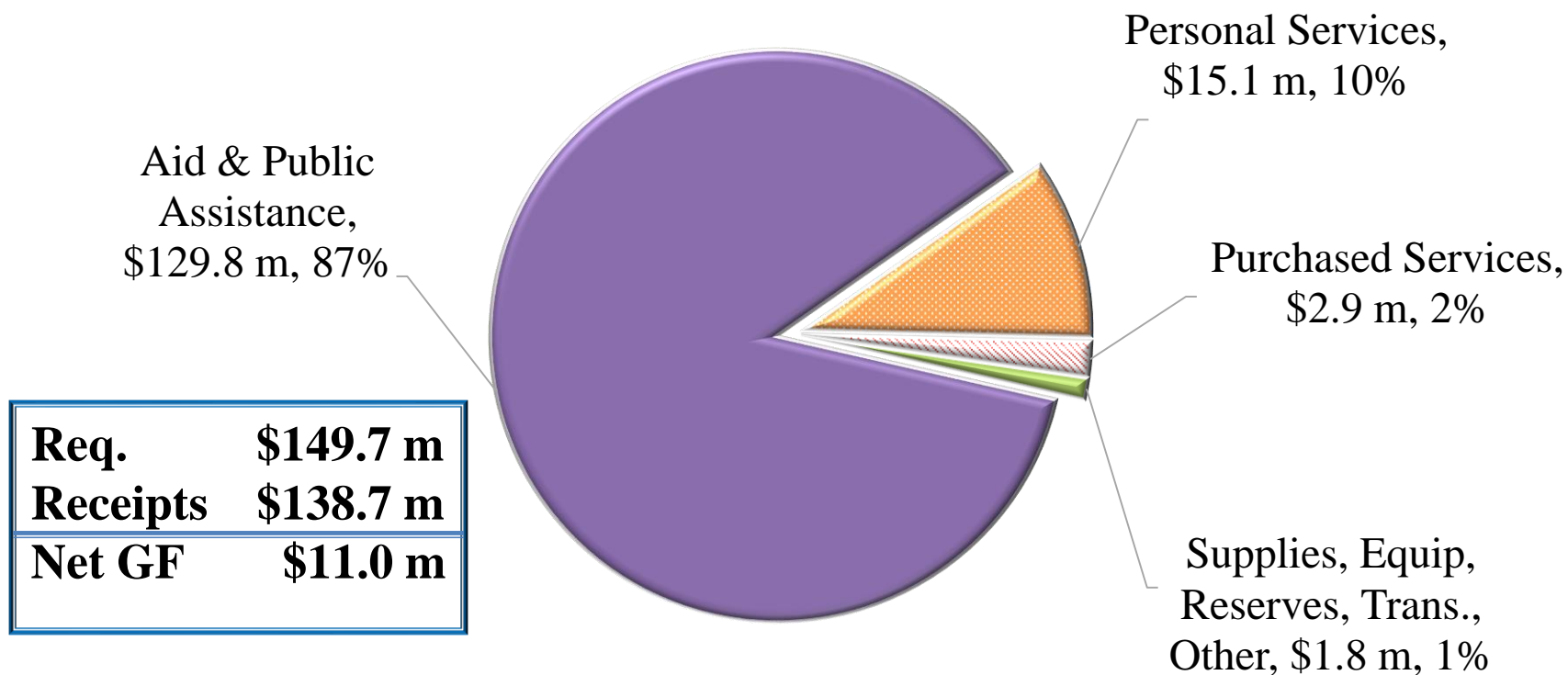
# Commerce Budget Overview

- Three General Fund Budget Codes
  - 14600: Commerce operating and CDBG
  - 14601: Commerce State-Aid
  - 14602: Economic Development and EDPNC
- Today's overview focuses on 14600
- Other entities within Commerce
  - Division of Employment Security
  - Boards and Commissions



# Base Budget w/o Economic Development

## Department of Commerce Total General Fund Budget, FY 2019-20 (14600 only)

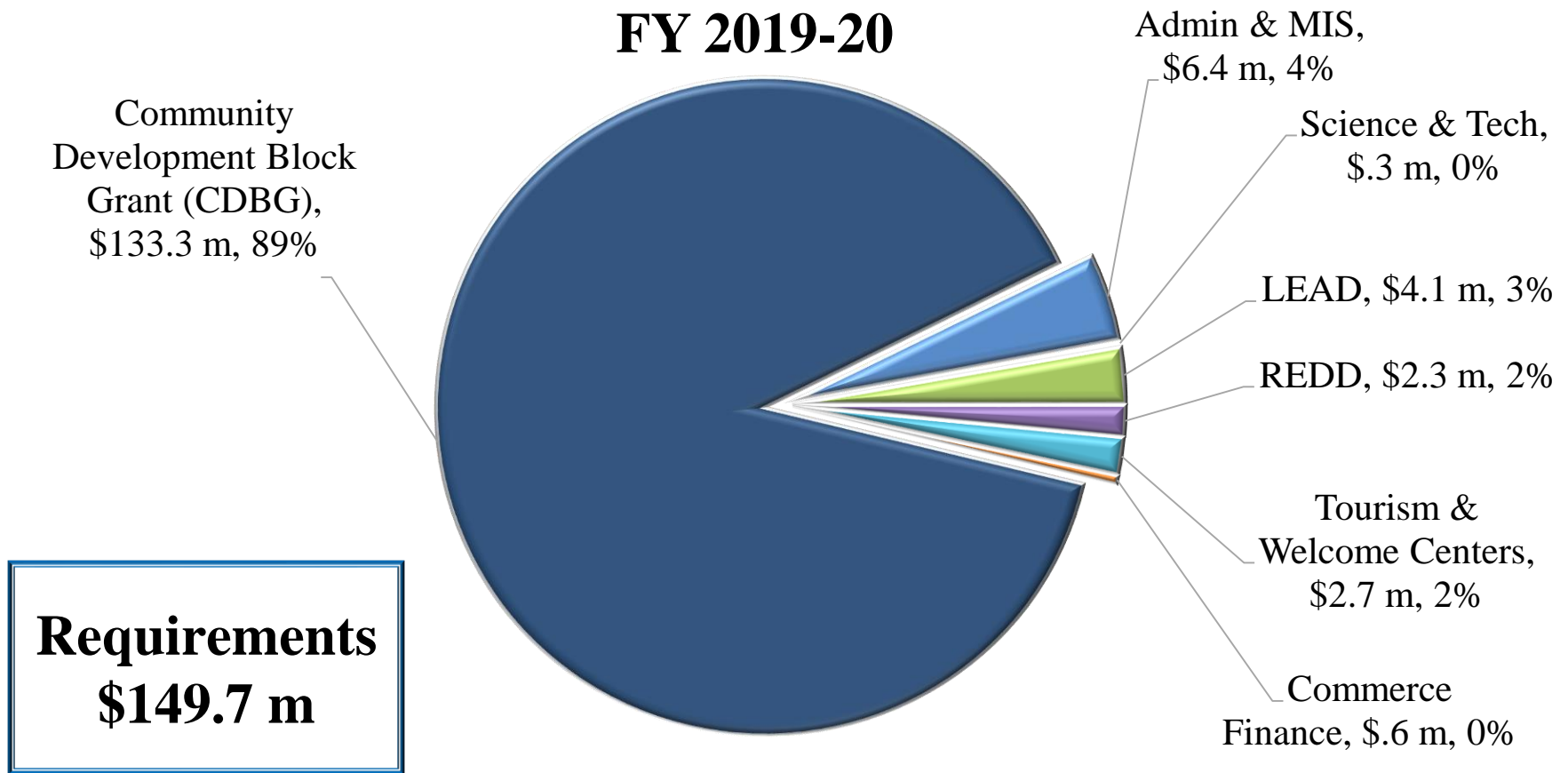


Source: Base Budget Worksheet I



# 14600: Commerce Operating

## 14600 Total General Fund Budget by Division, FY 2019-20

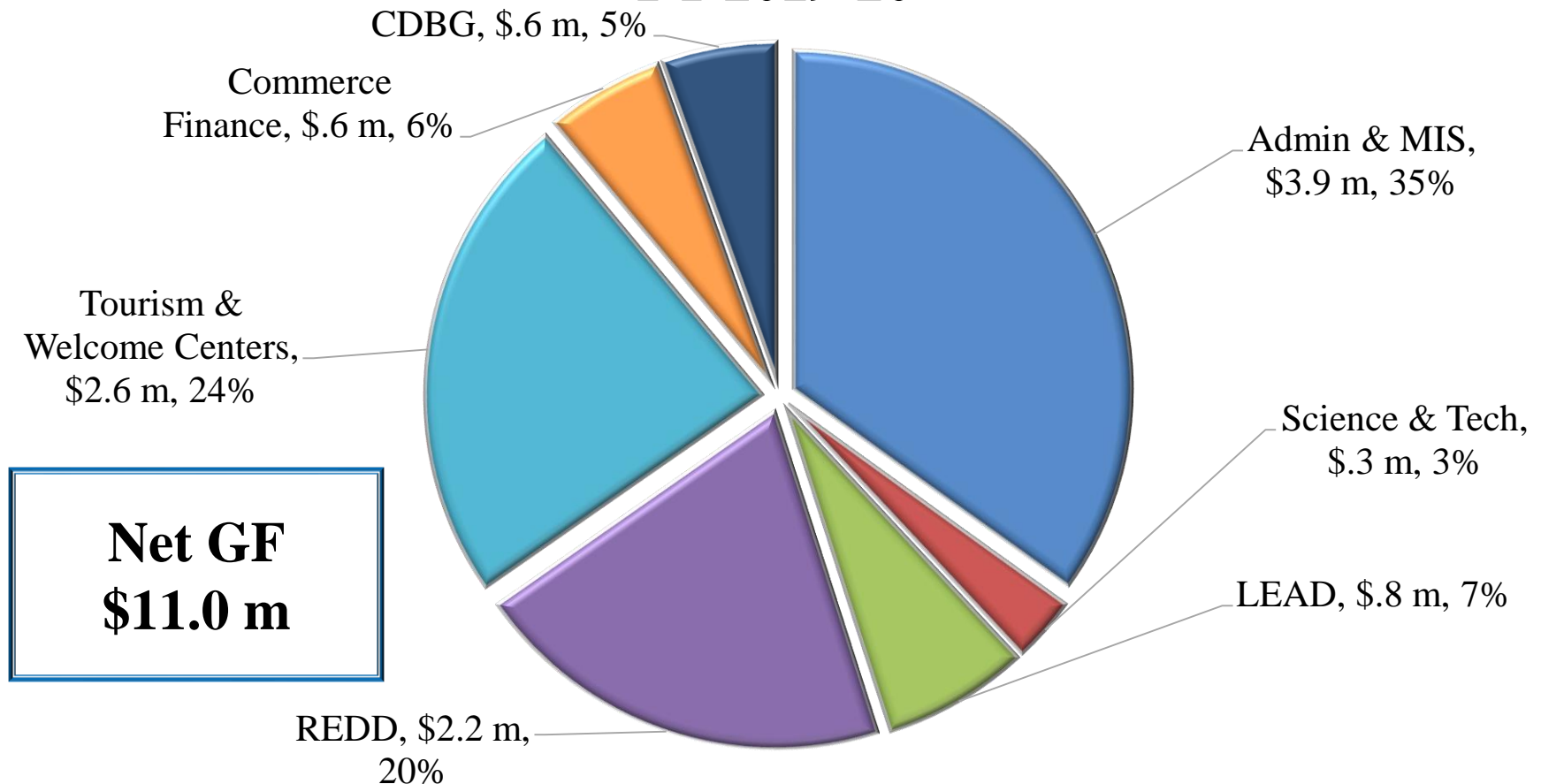


Source: Base Budget Worksheet I



# 14600: Commerce Operating Net GF

## 14600 Net General Fund Budget by Division, FY 2019-20

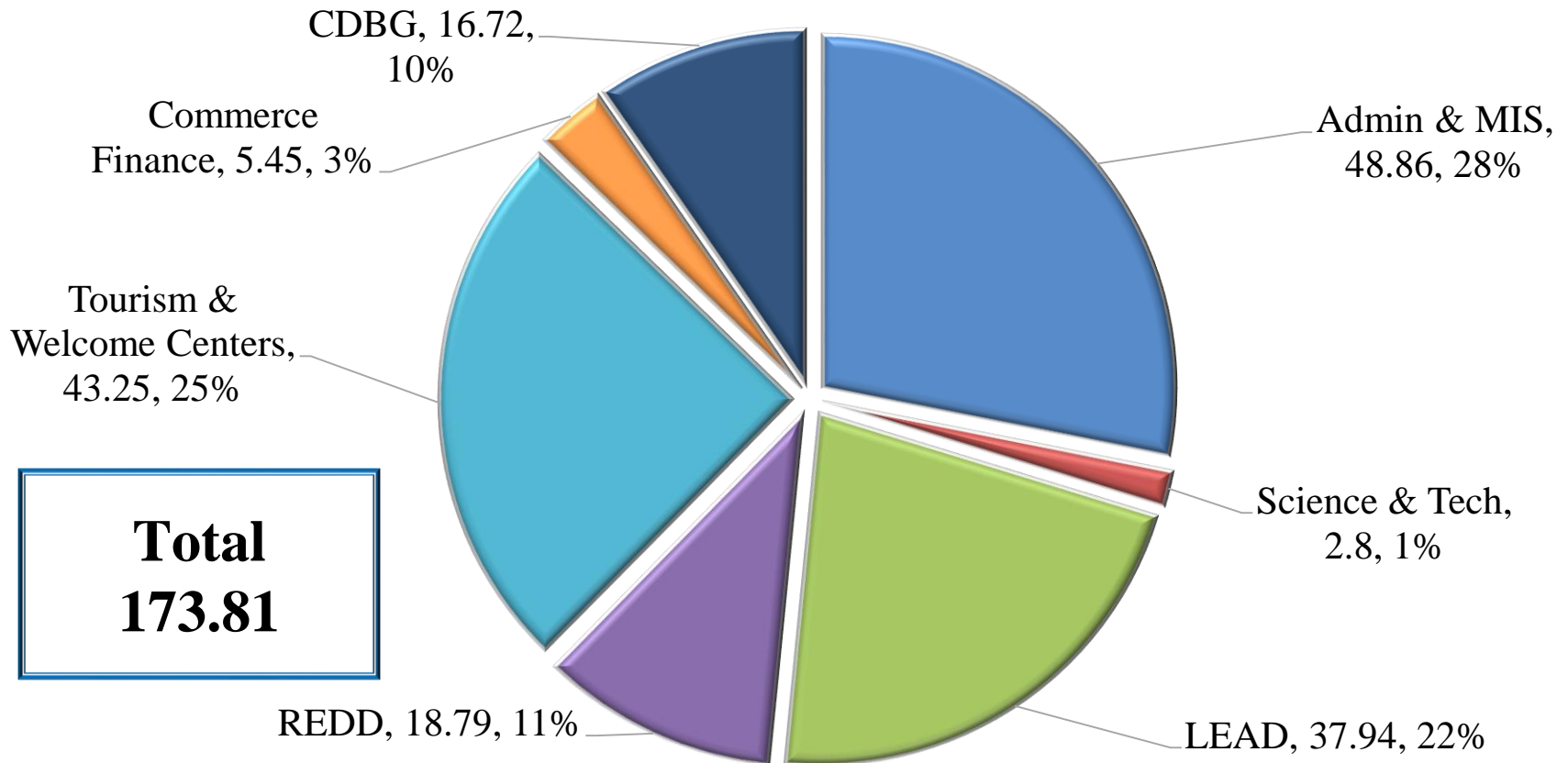


Source: Base Budget Worksheet I



# 14600: Commerce Operating FTE

## 14600 FTE by Division, FY 2019-20

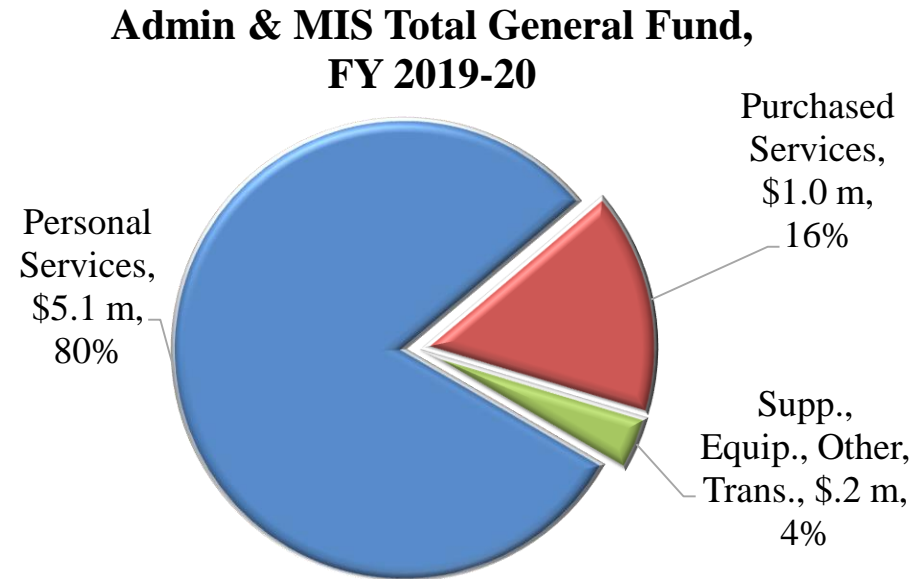


Source: Base Budget Worksheet I

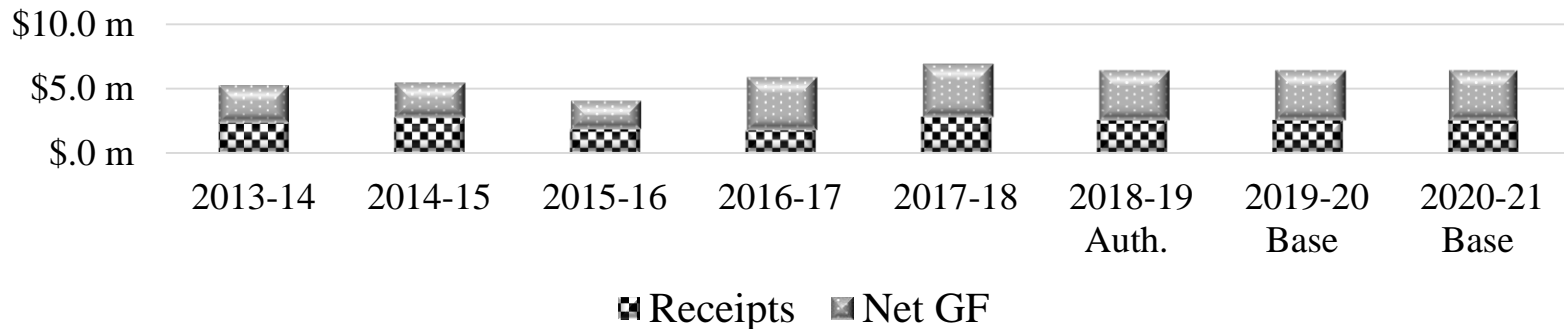


# Administrative Services and MIS

- Administrative services and Management Information Services (MIS) Division
- Includes Commerce Graphics position
- Net GF Appropriation: **\$3.8 m**
- **48.86 FTE**



**Admin & MIS Funding History, FY 2013-14 to FY 2020-21**



Source: Base Budget Worksheet I, NCAS history

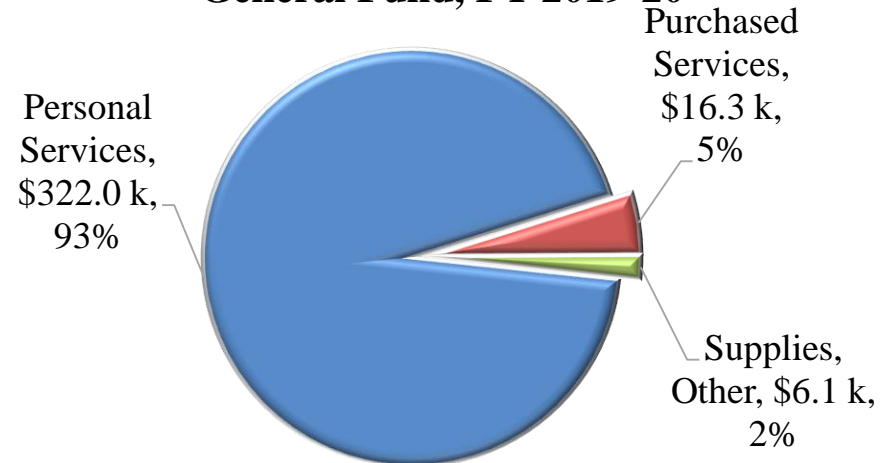




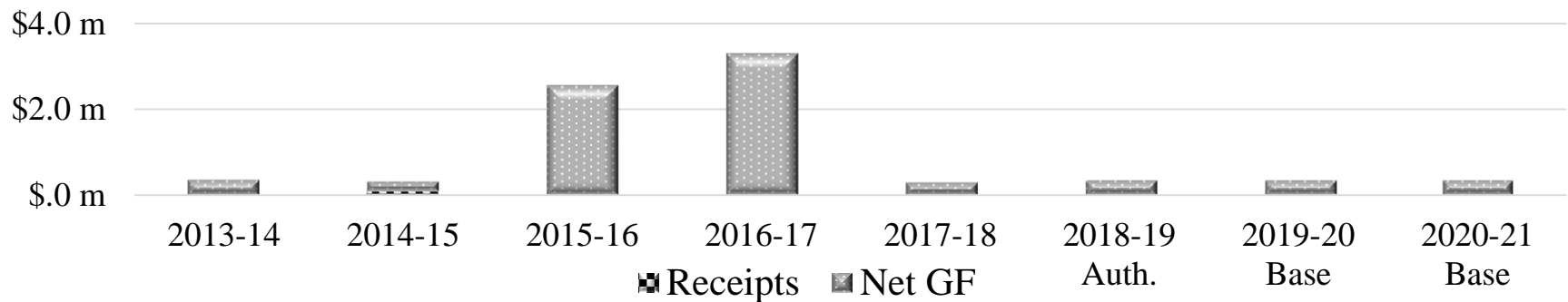
# Office of Science & Technology

- Administers One NC Small Business Grant Program
- Staffs N.C. Board of Science, Technology & Innovation
- Net GF Appropriation: **\$344 k**
- **2.8 FTE**

**Office of Science & Technology Total General Fund, FY 2019-20**



**Office of Science & Technology Funding History, FY 2013-14 to FY 2020-21**



Source: Base Budget Worksheet I, NCAS history



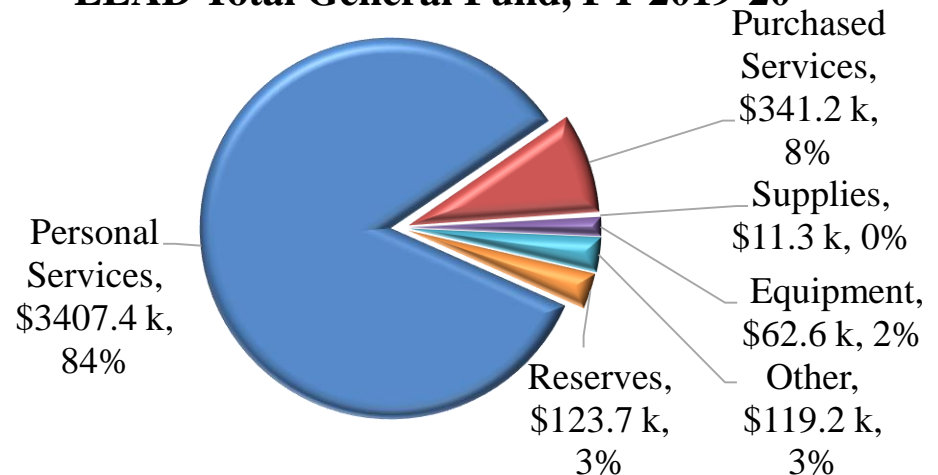
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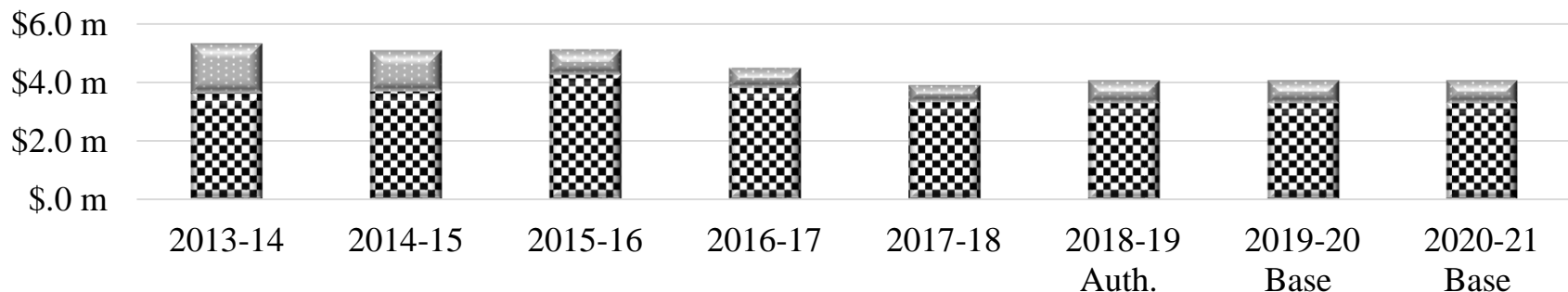
# Labor and Economic Analysis (LEAD)

- Economic and demographic analysis
- Primarily funded through federal Bureau of Labor Statistics
- Net GF Appropriation: **\$947 k**
- **37.94 FTE**

**LEAD Total General Fund, FY 2019-20**



**LEAD Funding History, FY 2013-14 to FY 2020-21**



Source: Base Budget Worksheet I, NCAS history

■ Receipts

■ GF Appropriation



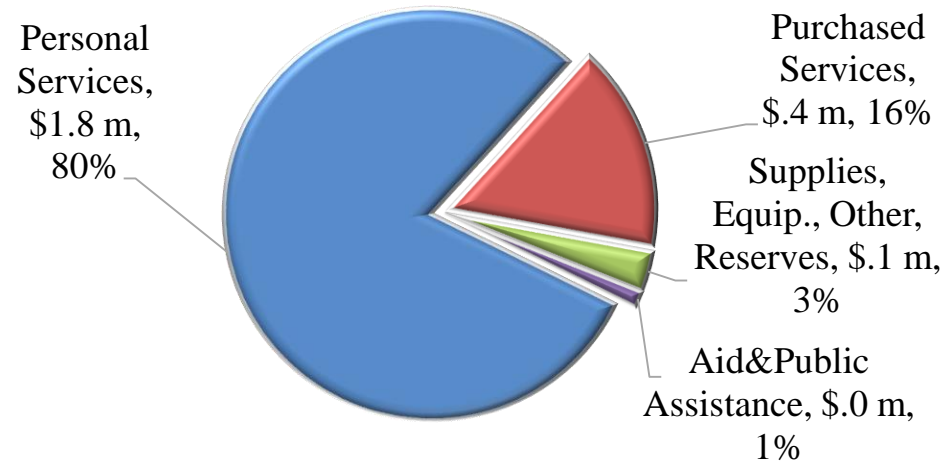
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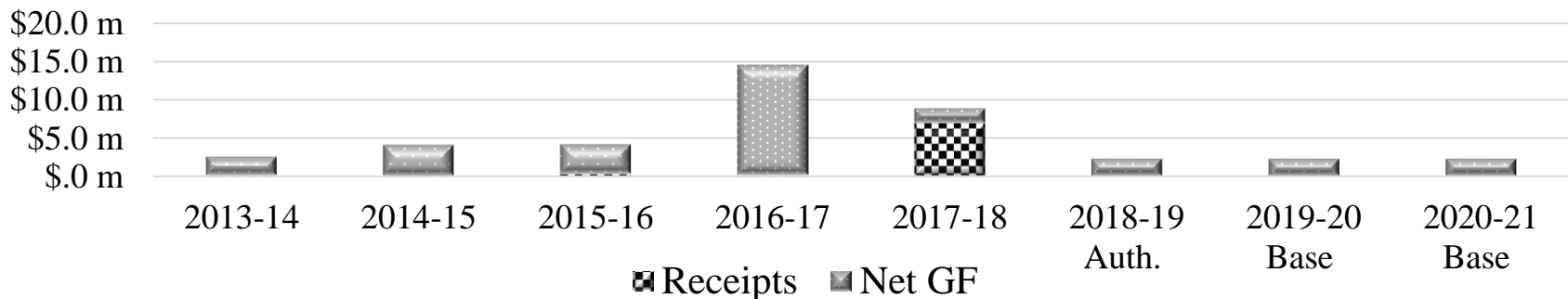
# Rural Economic Development Division

- Prosperity zone planners
- Administers grants to local governments (primarily rural areas)
- Net GF Appropriation: **\$2.2 m**
- **18.79 FTE**

**REDD Total General Fund, FY 2019-20**



**REDD Funding History, FY 2013-14 to FY 2020-21**



Source: Base Budget Worksheet I, NCAS history adjusted to remove Rural Infrastructure grants



# REDD Division Structure

Rural Infrastructure  
Authority  
(16 members)

**Rural Economic Development  
Division (REDD)**

Rural grants  
(4.69 FTE)

State CDBG  
(16.72 FTE)

Rural Planners  
(14.1 FTE)



# Recent Budget Actions: REDD

## **2017 budget**

- Downtown Revitalization Grants – \$8.6 m NR
- Main Street Solutions Fund – \$500 k NR
- NC Ready Sites – \$2 m NR

## **2018 budget**

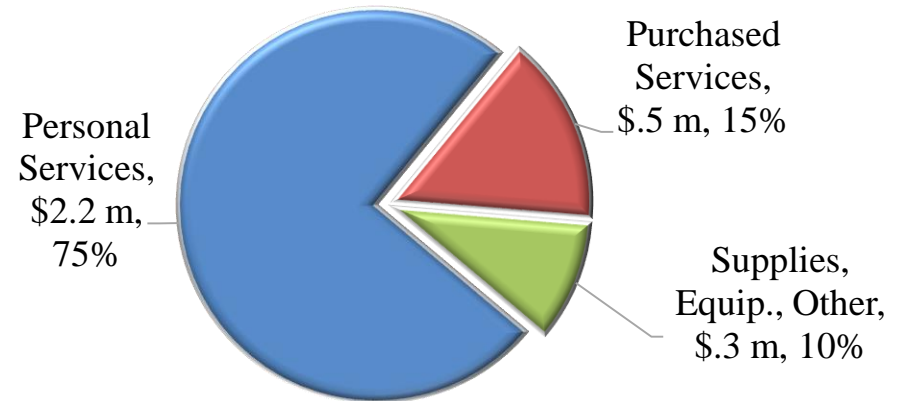
- Downtown Revitalization Grants – \$4.5 m NR



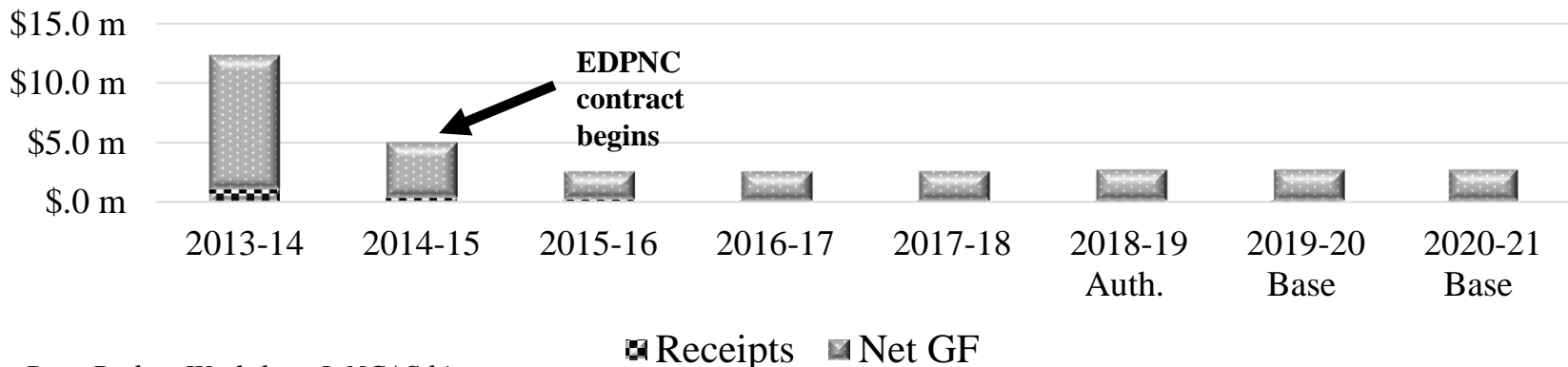
# Tourism and Welcome Centers

- Visit NC Call Center
- Interstate Welcome Centers
- Combined into one fund code starting FY 2019-20
- Net GF Appropriation: **\$2.6 m**
- **43.25 FTE**

**Tourism & Welcome Centers Total General Fund, 2019-20**



**Tourism & Welcome Centers Funding History, FY 2013-14 to FY 2020-21**



Source: Base Budget Worksheet I, NCAS history



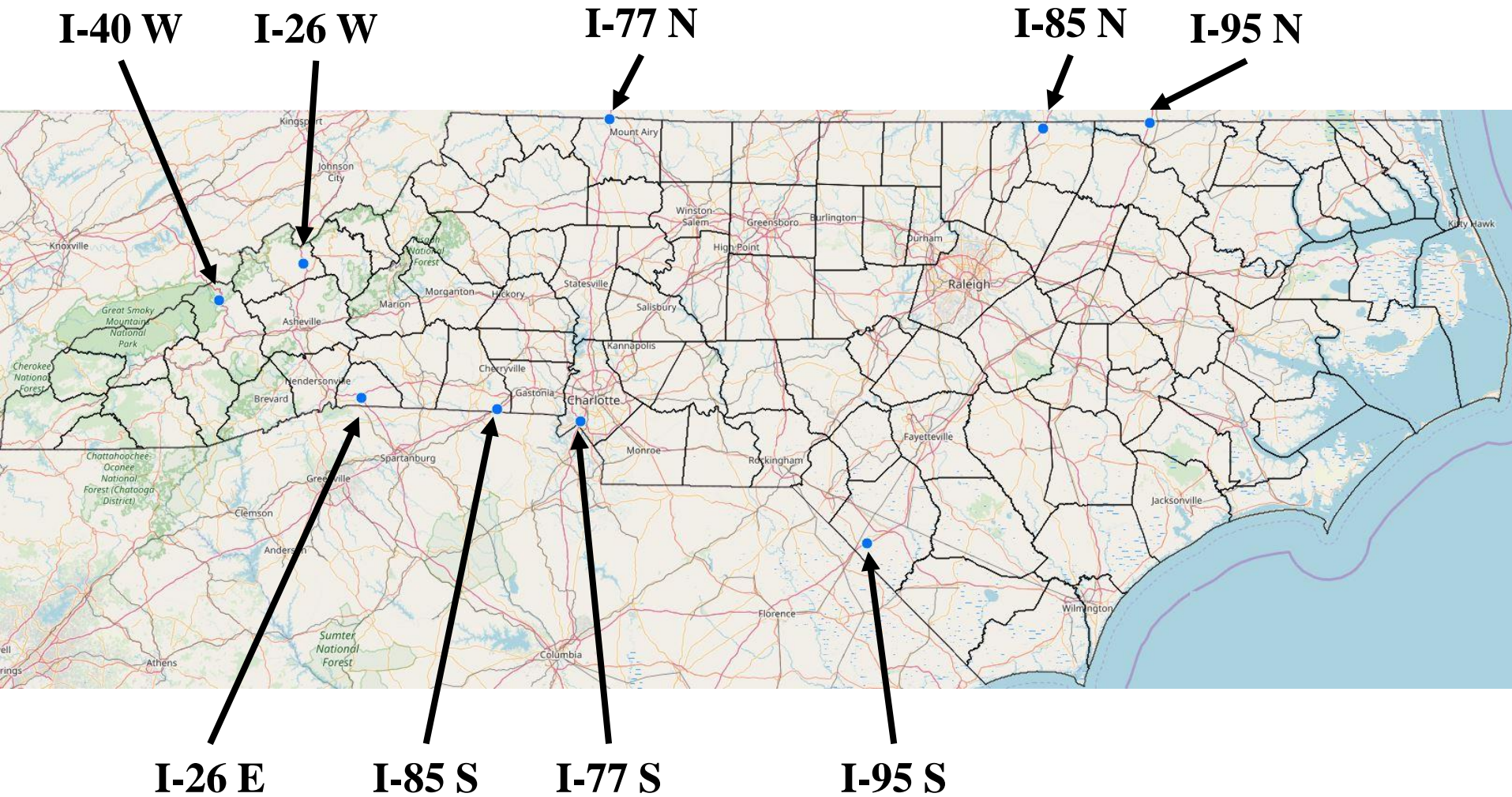
# Tourism and Welcome Centers

- Travel and Tourism
  - All functions moved to EDPNC except Visitor Call Center
  - Housed at NC Correctional Institution for Women
  - Staffed Hurricane Florence information hotline
- Welcome Centers
  - Located on NC borders
  - Nine across the State





# NC Welcome Centers

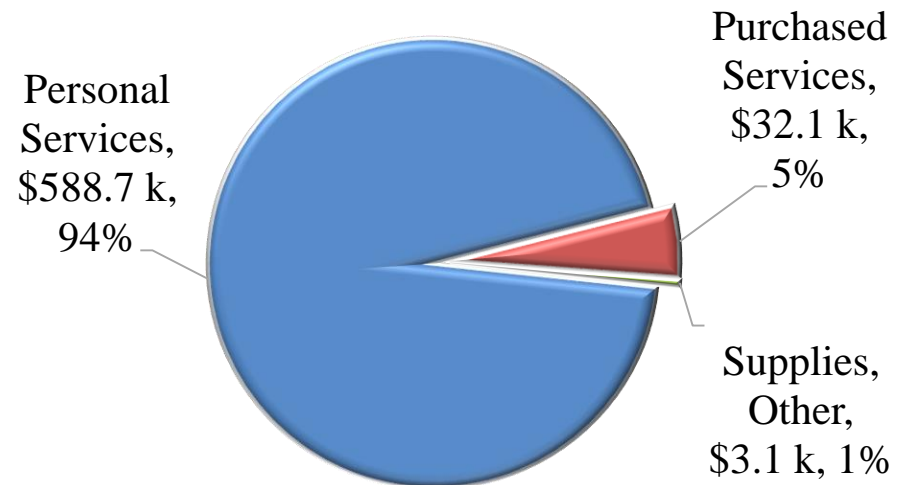




# Commerce Finance Center

- Administers grants to businesses
- Processes and assists businesses with incentive applications
- Advises Economic Investment Committee (EIC) on grant awards
- Verifies benchmarks and manages disbursements

**Commerce Finance Center Total General Fund, FY 2019-20**



Appropriation	\$623 k
FTE	5.45



# Economic Development Partnership (EDPNC)

- G.S. 143B-431.01 allows Commerce to contract with a nonprofit for certain functions
- Five-year contract signed on October 6, 2014:
  - Tourism, Film and Sports
  - Business and Industry
  - International Trade
  - Marketing and Customer Service
  - Business Link North Carolina
  - International investment recruiting (added in S.L. 2018-5)

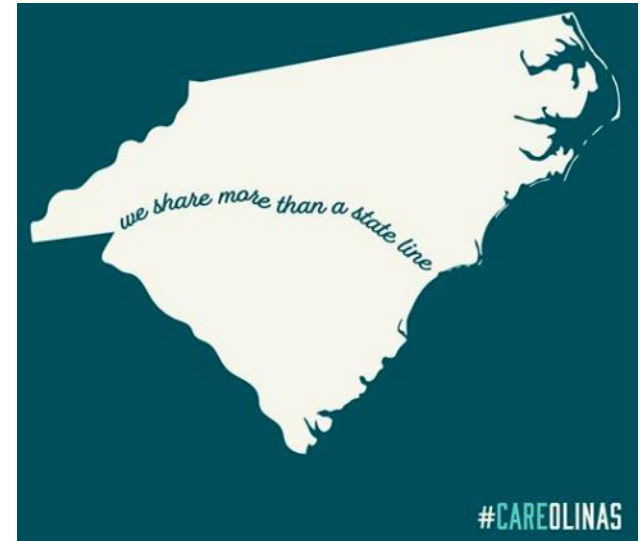
## **FY 2019-20 GF Base Budget**

<b>Requirements</b>	<b>\$18.9 m</b>
<b>Receipt</b>	<b>\$0.1 m</b>
<b>Appropriation</b>	<b>\$18.8 m</b>
<b>FTE</b>	<b>-</b>



# EDPNC Structure & Contract

- Public-private partnership
  - Private fundraising requirement
  - State-funded salary cap
- Three areas
  - Business recruitment
  - Business development
  - Tourism/marketing
- Annual report and audited financials to NCGA
- Oversight by Economic Development Accountability and Standards Committee



# Recent Budget Actions: EDPNC

## **2017 budget**

- Domestic and international advertising – \$1.9 m NR
- Access NC – \$84 k NR
- Tourism advertising – \$500 k R and \$1.5 m NR

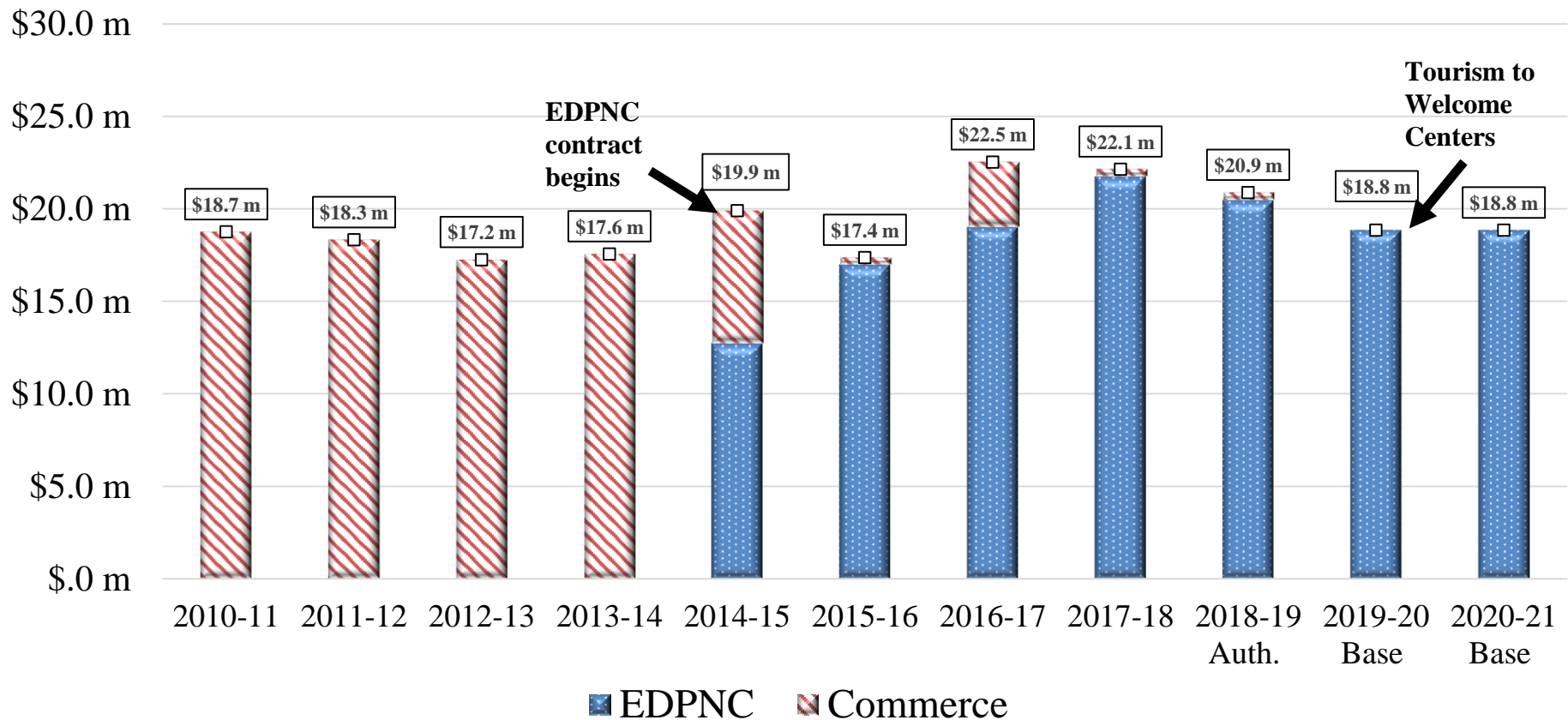
## **2018 budget**

- International recruiting – \$250 k R and \$575 k NR
- Outdoor Recreation – \$202 k R and \$50 k NR
- Office in India – \$150 k R
- Tourism advertising – \$1 m NR



# EDPNC Funding History, FY 2010-11 to FY 2020-21

## Net GF Appropriation for EDPNC functions



Source: Base Budget Worksheet I, NCAS history with internal adjustments

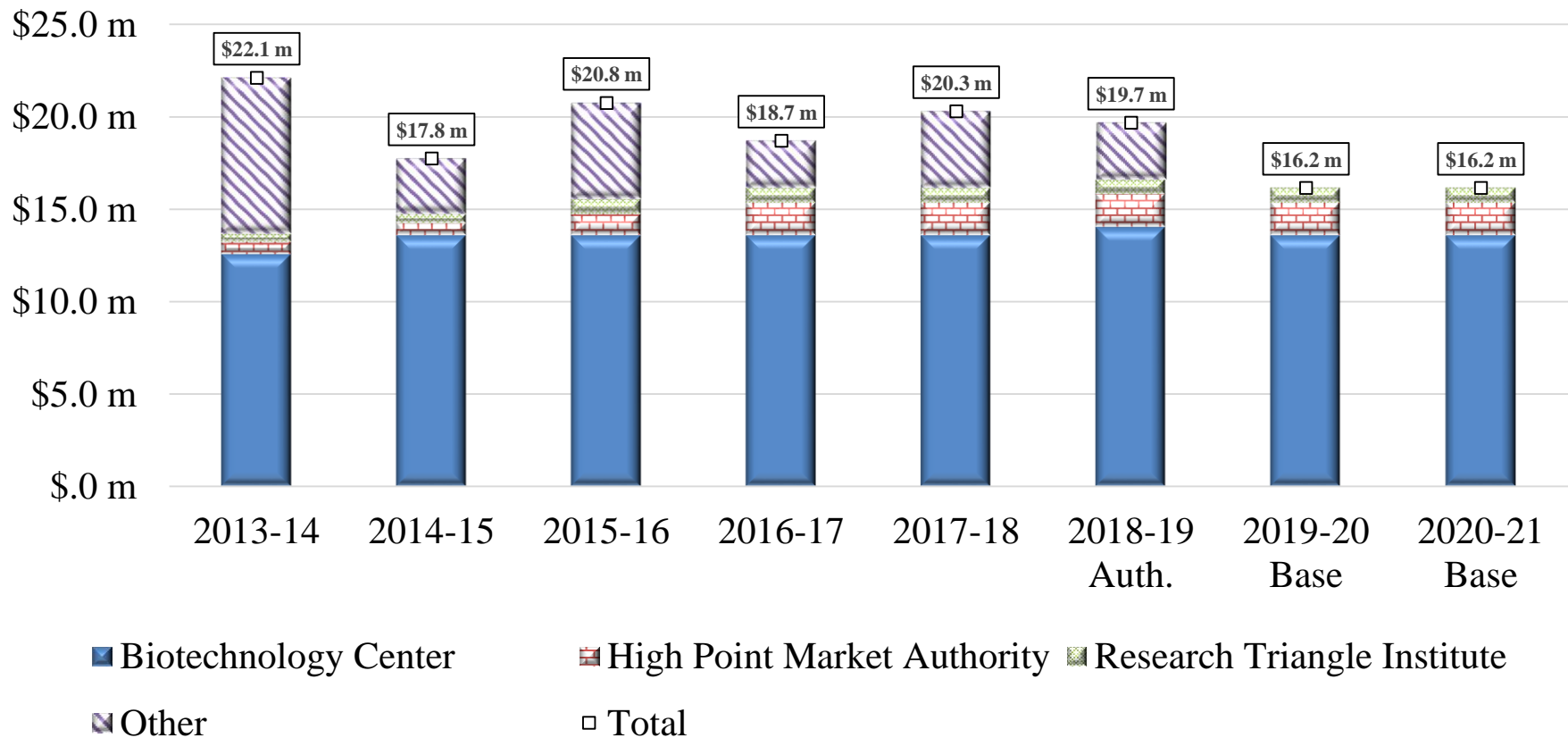


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# Commerce State-Aid Funding History

## 14601 Commerce State Aid Funding History, FY 2013-14 to FY 2020-21



# Questions?

